

Message Text

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SUBJECT: UPDATE ON FOOD PRODUCTION IN EAST JAVA

REF: (A) JAKARTA 1519 (B) 77 SURABAYA 0583

SUMMARY: EAST JAVA'S DOLOG OR BUREAU FOR FOOD RESERVES CONSIDERS RICE STOCKS TO BE ADEQUATE THROUGH APRIL. IN CONTRAST TO NOVEMBER REPORTS OF FOOD SHORTAGES IN THE PROVINCE, THE AGRICULTURAL SERVICE HAS ANNOUNCED TARGET-BREAKING PRODUCTION FIGURES FOR 1977. PROSPECTS FOR THE COMING YEAR ARE EXCELLENT ACCORDING TO LOCAL OFFICIALS, AND REPORTS FROM JAKARTA ARE THAT EAST JAVA IS THE LARGEST CONTRIBUTOR TO NATIONAL FOOD STOCKS AND REQUIRES LEAST ASSISTANCE DURING TIMES OF SHORTAGE. END SUMMARY.

1. COL. SUKAMTO, HEAD OF EAST JAVA'S BUREAU FOR FOOD RESERVES OR DOLOG (DEPOT LOGISTIK) RECENTLY ANNOUNCED THAT RICE STOCKS FOR THE PROVINCE ARE ADEQUATE UNTIL THE NEXT HARVEST IN APRIL. THIS MONTH 186,000 TONS OF RICE FROM TAIWAN ARRIVED AT THE HARBOR, OF WHICH 60,000 TONS WERE EARMARKED FOR SURABAYA CITY ITSELF. LAST YEAR, DOLOG PURCHASED 260,000 TONS OF RICE FROM LOCAL FARMERS, COMPARED WITH A TOTAL NATIONAL COLLECTION OF 400,000 TONS. SINCE OCTOBER,

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65,000 TONS HAVE BEEN RELEASED IN EAST JAVA TO KEEP PRICES STABLE. SOME OF EAST JAVA DOLOG'S RICE IS SENT OUTSIDE EAST JAVA TO RICE DEFICIENCY AREAS (100,000 TONS). IN ADDITION, 90,000 TONS WERE DISTRIBUTED TO MEMBERS OF THE ARMED FORCES AND CIVIL SERVANTS AS PARTIAL WAGES. EAST JAVA DOLOG CONTROLS 79 WAREHOUSE UNITS, WHICH CONSTITUTE ONE THIRD OF THE TOTAL BULOG (OR THE NATIONAL-LEVEL BUREAU FOR FOOD

RESERVES) HAS IN INDONESIA.

2. THE DOLOG PROCE FOR LOWEST QUALITY RICE, WHICH IS THE ONLY VARIETY

THAT DOLOG HANDLES, IS RP 127.50 PER KILOGRAM. IN ITS MARKET OPERATIONS, DOLOG TRIES TO KEEP ITS PER KILOGRAM PRICE ABOUT 5 RUPIAH BELOW THE GOING MARKET RATE. AS OF THE END OF JANUARY, FIRST QUALITY RICE RETAILED IN SURABAYA AT RP190.-PER KILOGRAM.

3. TOWARD THE END OF THE DRY SEASON IN LATE NOVEMBER, THERE WAS CONSIDERABLE PRESS ATTENTION GIVEN TO FOOD SHORTAGES IN THE CONSULAR DISTRICT (SEE REF B). HOWEVER, END OF YEAR '77 REPORTS INDICATE THAT WITH THE EXCEPTION OF CORN AND ASSAVA, EAST JAVA'S FOOD PRODUCTION SURPASSED THE ANNUAL TARGET ESTABLISHED BY THE PROVINCIAL LEVEL AGRICULTURAL SERVICE. PRODUCTION AND TARGETS FOR THE PROVINCE WERE: UNHULLED RICE 6,659,000 METRIC TONS (TARGET 6,600,000 TONS); PEANUTS 102,617 TONS (101,000 TONS); SOYA BEANS 217,867 TONS (265,000 TONS); CORN 969,937 TONS (1,350,000 TONS); AND CASSAVA 3,200,000 TONS (3,400,000 TONS). THE EXPLANATION FOR WIDE PUBLICITY ABOUT FOOD SHORTAGES AT A TIME OF SURPLUS PRODUCTION IS THAT FOOD DISTRIBUTION AFTER HARVEST IS STILL NOT WELL MANAGED IN THE PROVINCE. ALSO, IN TIMES OF DROUGHT, FARMERS AND OTHERS IN WATER-SCARCE AREAS HAVE NO ALTERNATIVE SOURCE OF INCOME AND CONSEQUENTLY CANNOT BUY AVAILABLE RICE AND OTHER FOODSTUFFS LIMITED OFFICIAL USE

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IN THE MARKET. THE GOVERNMENT STATEMENT OF SOME MONTHS AGO THAT THERE WAS ACTUALLY ENOUGH FOOD IN THE PROVINCE APPEARS TO BE BORNE OUT BY THESE PRODUCTION FIGURES. (ALTHOUGH IT IS TO BE REMEMBERED THAT INDONESIAN STATISTICS AT BEST ARE SOMETIMES QUESTIONED BY INDONESIAN OFFICIALS THEMSELVES.)

4. IN ORDER TO PROMOTE THE PRODUCTION OF CORN, WHICH FELL 30 PERCENT SHORT OF TARGET THE GOVERNMENT HAS INSTRUCTED VILLAGE MARKETING COOPERATIVES, OR BUUDS (BADAN USAHA UNIT DESA) TO INCLUDE CORN IN THEIR COOPERATIVE ARRANGEMENTS. PRESUMABLY THESE INCLUDE THE SEED-SELECTION AND GOVERNMENT MASS GUIDANCE OR BIMAS (BIMBINGAN MASSAL) LOAN PROGRAMS THAT ARE PRESENTLY GEARED TO BOOSTING RICE PRODUCTION.

5. SUKAMTO HAS STATED THAT RICE PRODUCTION PROSPECTS FOR 1978/79 ARE EXCELLENT. A KEY FACTOR THAT WILL DETERMINE THE LEVEL OF RICE PRODUCTION IS MORE TIMELY DELIVERY OF FERTILIZER AND INSECTICIDES. SUKAMTO SAYS THAT IRRIGATION SYSTEMS HAVE BEEN IMPROVED AND ARE BETTER MAINTAINED THAN LAST YEAR.

6. EAST JAVA LOOMS LARGE IN JAKARTA'S EXPECTATIONS FOR
INCREASED FOOD PRODUCTION IN THE FUTURE. PRESIDENT SUHARTO
CHAired A RECENT SESSION OF THE NATIONAL ECONOMIC STABILIZ-
ATION COUNCIL WHERE ACCORDING TO PRESS REPORTS BUSTANIL ARIFIN, CHIEF
OF BULOG, SAID THAT EAST JAVA IS THE LARGEST PROVINCIAL CONTRIBUTOR
TO THE NATIONAL FOOD SUPPLY IN THE AREAS OF SUGAR, CORN (MORE THAN
50 PERCENT), AND RICE (60 PERCENT). ARIFIN ALSO STATED THAT EAST
JAVA REQUIRES LESS ASSISTANCE IN TIMES OF SCARCITY THAN OTHER
PROVINCES, WITH AVERAGE REQUIREMENTS OF 500 TONS OF FOOD PER
DAY AS AGAINST 2,000 TONS FOR WEST JAVA, AND 4,000 TONS FOR JAKARTA.
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